

Message Text

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PAGE 01 STATE 307437
ORIGIN OPIC-06

INFO OCT-01 ARA-10 ISO-00 EB-07 /024 R

DRAFTED BY OPIC/GC:AKEESEE
APPROVED BY EB/IFD/OIA: RJSMITH
OPIC/FD:AHOPE
EB/IFD/OIA:DSTEBBING
ARA/CEN:MMBOVA (INFO)

----- 074309 /60

R 202226Z DEC 76
FM SECSTATE WASHDC
TO AMEMBASSY SAN JOSE

UNCLAS STATE 307437

FROM OPIC

E.O. 11652:N/A

TAGS: EFIN

SUBJECT: FRIGORIFICOS REFINANCING

THE FOLLOWING MESSAGE WAS TRANSMITTED DECEMBER 17 TO
CODESA EXECUTIVE VICE PRESIDENT LOPEZ: QUOTE OPIC AGREES
IN PRINCIPLE TO GRANT OF SECOND MORTGAGE ON FRIGORIFICOS
PLANT, EQUIPMENT, AND LAND, TO CODESA SUBJECT TO
FOLLOWING:

1. OPIC TO MAKE NEW \$1,000,000 LOAN TO FRIGORIFICOS TO
BE FULLY GUARANTEED BY CODESA, TO BE AT A RATE OF INTEREST
NO LESS FAVORABLE THAN THAT PAID TO ANY OTHER CREDITOR,
AND TO BE FOR TERM COTERMINUS WITH TERMS OF EXISTING
OPIC, LAAD, BANCO NACIONAL AND BANCO AGRICOLA DE CARTHEO
LOANS, AS RESCHEDULED;

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2. FIFTY PERCENT OF THE PROCEEDS OF NEW LOAN TO BE USED
TO REPAY LATEST MATURITIES OF EXISTING OPIC LOAN;
3. OPIC TO RECEIVE SATISFACTORY OPINION FROM ITS COSTA
AND PERFECTION OF CORRECTED OPIC FIRST MORTGAGE AS COVERING

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\$1,000,000 OF OLD LOAN AND FIFTY PERCENT OF NEW LOAN,
AND (C) SATISFACTORY WORDING OF CODESA SECOND MORTGAGE;

4. CODESA TO AGREE THAT IF AT ANY TIME IT ACQUIRES
RIGHTS IN THE FRIGORIFICOS COLLATERAL MORE EXTENSIVE THAN
RIGHTS OF OPIC, OPIC SHALL PARTICIPATE PARI PASSU IN SUCH
ADDITIONAL RIGHTS;

5. ANY RESCHEDULING OF EXISTING OPIC LOAN TO BE MATCHED
BY RESCHEDULING OF BANCO NACIONAL, BANCO AGRICOLA DE
CARTHEO, AND LAAD LOANS; AND

6. OPIC WOULD APPRECIATE CONSIDERATION BY CODESA THAT
SOME PORTION OF THE \$1,000,000 NEW LOAN BE CONVERTIBLE
INTO FIFTEEN PERCENT OF FRIGORIFICOS' COMMON STOCK.
OPIC WOULD LIKE TO BE ABLE TO PARTICIPATE TO THIS EXTENT
IN THE FUTURE SUCCESS OF THE PROJECT. THIS SUBJECT WAS
DISCUSSED BRIEFLY THIS MORNING 12/17/76 WITH AMBASSADOR
SILVA. ALL OF THE FOREGOING IS SUBJECT TO APPROVAL OF THE
OPIC BOARD OF DIRECTORS WHICH MEETS NEXT ON JANUARY 18,
1977. UNQUOTE.

OPIC APPRECIATE ASSISTANCE OF AMBASSADOR AND POST IN
CONSTRUCTIVE RESOLUTION OF FRIGORIFICOS MATTER.
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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AGREEMENTS, MORTGAGES, LOANS, DEVELOPMENT LOANS, INTEREST RATES
Control Number: n/a
Copy: SINGLE
Draft Date: 20 DEC 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976STATE307437
Document Source: CORE
Document Unique ID: 00
Drafter: AKEESEE
Enclosure: TEXT ALSO ON MICROFILM
Executive Order: N/A
Errors: N/A
Film Number: D760467-0757, P760192-1301
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19761227/aaaaaxca.tel
Line Count: 87
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN OPIC
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: schwenja
Review Comment: n/a
Review Content Flags:
Review Date: 21 JUN 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <21 JUN 2004 by chengls>; APPROVED <31 AUG 2004 by schwenja>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: FRIGORIFICOS REFINANCING THE FOLLOWING MESSAGE WAS TRANSMITTED DECEMBER 17 TO CODESA EXECUTIVE VICE
PRESIDENT LOPEZ: QUOTE OPI
TAGS: EFIN, CS, OPIC, CODESA, FRIGORIFICOS
To: SAN JOSE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006